

A Maine Model for  
Entrepreneurial Collaboration  
*The Katahdin Entrepreneurship  
Education Program  
(Project KEEP)  
And Beyond...*



# DOL NEtwork '04

## Building Economic Opportunity Through Workforce Development

### Discussion Points

- Welcome/Introductions
- Entrepreneurship Working Group History
- The GNP Crisis
- Response (Project KEEP)
- Continued Response (KEEP II)
- Lessons Learned
- Ongoing



# Presenters

Mary McAleney – Maine District Director  
**U.S. Small Business Administration**

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John Massaua – State Director  
**Maine Small Business Development Centers**



# Missions of the SBA & the Maine SBDC

## **SBA**

Maintain and strengthen the nation's economy by aiding, counseling, assisting and protecting the interests of small businesses and by helping families and businesses recover from national disasters.

## **Maine SBDC**

The Maine Small Business Development Centers' mission is to engage itself and others in development activities that contribute to the improvement of the economic climate for and the success of micro, small and technology-based businesses in the State of Maine. The Maine SBDC's focus is to assist in the creation, growth and the maintenance of viable micro, small and technology-based businesses and the jobs these businesses provide.



# Foundation for Maine's Small Business Service Provider Collaboration

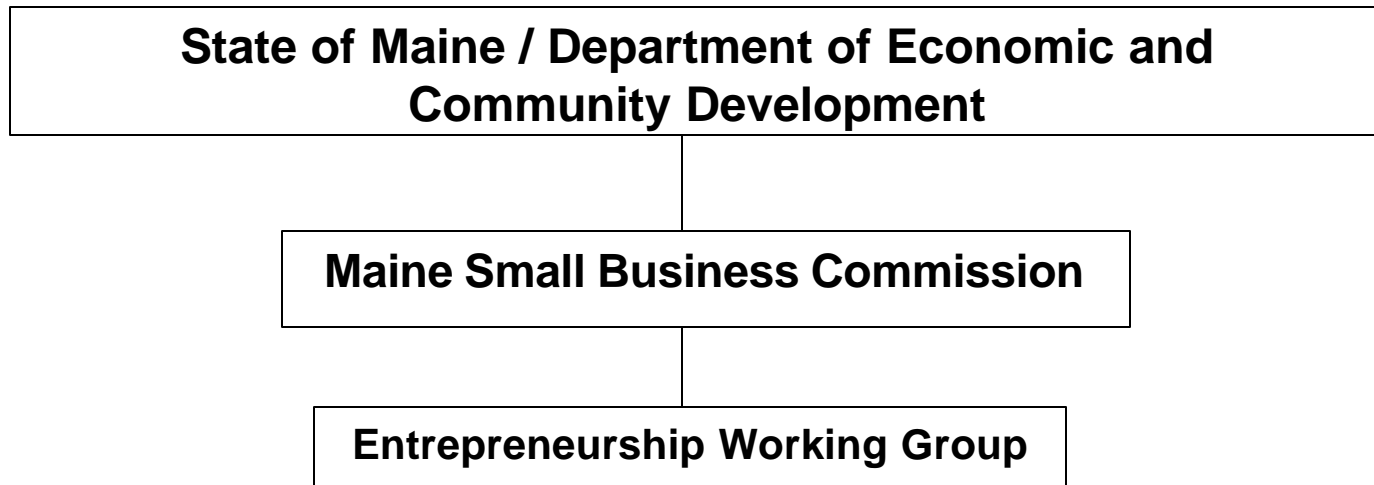


**Support Systems – Education – Research – Policy – Capital Access**



# ENTREPRENEURSHIP WORKING GROUP

## *Organizational Structure*



The Entrepreneurship Working Group (EWG) was convened in 2000 by DECD to develop recommendations on how to strengthen the support infrastructure for entrepreneurship in Maine.

The EWG is governed by a 15 person steering committee.



# ENTREPRENEURSHIP WORKING GROUP

## *Vision*

A sustainable results oriented, performance driven Maine economy, grounded in traditional **Maine values**, yet open to change and new technologies; based in good part on the “**can do**” **attitude** of its business organizers, be they lifestyle proprietors, solid small firm owner/operators or true entrepreneurial go-getters; facilitated through a well thought out and well planned economic **development strategy**, which includes public entrepreneurial education at all ages, pro business policy, **coordinated and collaborative** technical assistance, business life-stage and business owner **lifelong training** (classes - coaching - mentoring), substantial access to capital, well-developed networks, and consensus **leadership** that embraces **social purpose in concert with wealth generation.**



# ENTREPRENEURSHIP WORKING GROUP

## *Purposes*

- To promote the development of policies that support entrepreneurship & small business development across the state;
- To ensure that entrepreneurship & small business development are integral components of the state's economic development strategy;
- To advise the Maine Small Business Commission and the commissioner of the Department of Economic & Community Development (DECD) on strategies that advance entrepreneurship & small business development across the state;
- To recommend and provide input to research efforts that contribute to the development of policies that support entrepreneurship & small business development;
- To foster collaboration among providers of entrepreneurship & small business development services; and
- To work towards the realization of the vision of Maine as an entrepreneurial state:





January 9, 2003

Great Northern Paper Company in Millinocket  
The largest paper company of its kind in the  
WORLD

**FILES FOR BANKRUPTCY**  
**CRISIS SETS IN**



## 2003 Bangor Daily News Headlines

- January 23<sup>rd</sup> “GNP closure could **cost** 5,000 jobs – Shutdown causes ripple effect”
- January 24<sup>th</sup> “Towns **Struggle** with GNP Shutdown – N. Katahdin fears more job losses”
- February 7<sup>th</sup> “Mill Closure – Time of **Grief** for Workers”
- April 11<sup>th</sup> “Paper Industry job cuts have ‘**blindsided**’ Maine”



# Katahdin & Great Northern Paper

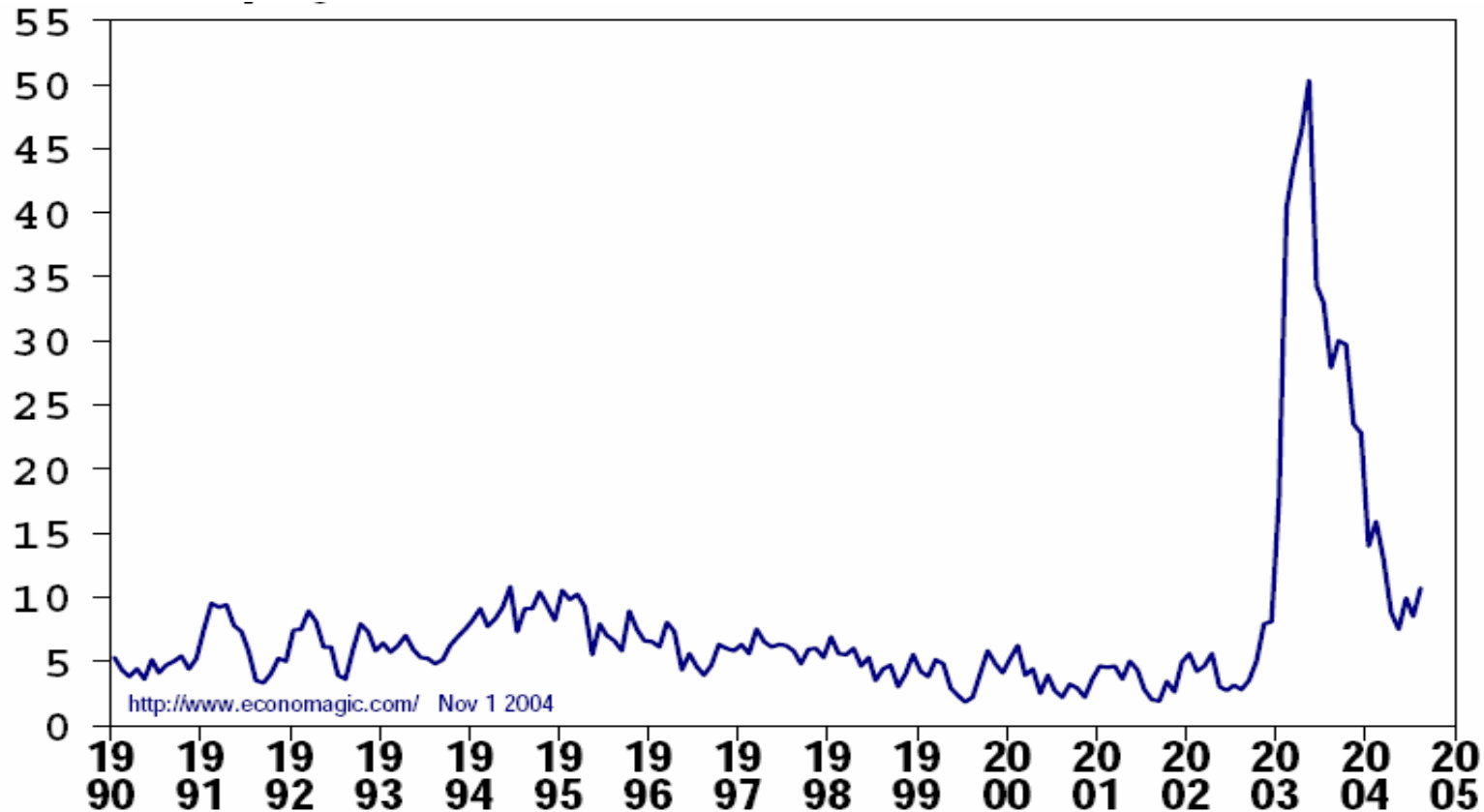
## A Region in Crisis

- 1,200 workers laid off – comparable to nearly 23% of the town Millinocket's total population (Census 2000)
- The region's unemployment rate in 2003 is the highest in the state, averaging over 33% – an enormous jump from the nearly 5% rate in 2002.



# Katahdin & Great Northern Paper A Region in Crisis

Unemployment Rate: East Millinocket, Maine;  
Percent; NSA



# Katahdin & Great Northern Paper

## A Region in Crisis

- “We in Millinocket have been set upon with shock waves that have devastated our economic stability and have, and are still, threatening the community’s wellbeing.”
  - Alyce Maragus
- “Once upon a time, long ago in this Magic City, the children would leave high school and race to the mill where they would be assigned their place of work according to how fast they could run. This truly was truly magical in that every person who wanted to work could... in reality, today, Millinocket is contemplating its demise.”
  - Charles Cirame



January 21, 2003

## **“GNP Situation Prompts Maine Small Biz Help”**

The Maine SBDC joined the Finance Authority of Maine (FAME) and the U.S. Small Business Administration (SBA) at the Katahdin Regional Higher Education Center on Tuesday January 21st from 10AM to 3PM to preliminarily meet with businesses in the assessment of their individual situations.

# HELP ARRIVES



January 21, 2003

## **“GNP Situation Prompts Maine Small Biz Help”**

“Its not just about the people laid off at the plant, its about the small businesses and the communities at large that we must help.”

*Charlie Spies, CEO  
Finance Authority of Maine*



February 27, 2003

## **“Maine SBDC Spearheads Entrepreneurial Educational Opportunities for Katahdin Region Small Businesses”**

In response to the mill crisis and in an effort to take the edge off difficult times, the Maine Small Business Development Centers heads up a collaborative program of entrepreneurial training for those residents affected by the recent bankruptcy of Great Northern Paper.





February 27, 2003

## **“Maine SBDC Spearheads Entrepreneurial Educational Opportunities for Katahdin Region Small Businesses”**

The collaborative effort, dubbed

**Project KEE**

**(Katahdin Entrepreneurship Education Program)**

would be a collection of workshops and seminars designed to equip entrepreneurs with the broad range knowledge necessary for successfully developing and growing their small business, led by the Maine SBDC, alongside the U.S. Small Business Administration and the Finance Authority of Maine.



# Project KEEP

## Collaborating Organizations

### Producer:

MAINE SMALL BUSINESS DEVELOPMENT CENTERS (MAINESBDC)

### Associate Producers:

FINANCE AUTHORITY OF MAINE

U.S. SMALL BUSINESS ADMINISTRATION

### Principal Sponsor:

PEOPLES, A DIVISION OF BANKNORTH

### Partner Sponsors:

BANGOR DAILY NEWS

CENTER FOR ENTREPRENEURSHIP, UNIVERSITY OF SOUTHERN MAINE

EASTERN MAINE DEVELOPMENT CORPORATION

MAINE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT AUTHORITY

### Contributors:

EWING MARION KAUFFMAN FOUNDATION

MAINE SBDC BUSINESSLINC – UNIVERSITY OF SOUTHERN MAINE

PREXAR

### Logistics Provider:

EASTERN MAINE TECHNICAL COLLEGE/

KATAHDIN REGION HIGHER EDUCATION CENTER

### Presenters and Co -presenters:

HEART OF MAINE RESOURCE CONSERVATION AND DEVELOPMENT AREA COUNCIL

MAINE SBDC AT ANDROSCOGGIN VALLEY COUNCIL OF GOVERNMENTS

MAINE SBDC BUSINESSLINC – UNIVERSITY OF SOUTHERN MAINE

MAINE SBDC AT EASTERN MAINE DEVELOPMENT CORPORATION

MAINE SBDC AT COASTAL ENTERPRISES INC.

MAINE SBDC AT NORTHERN MAINE DEVELOPMENT COMMISSION

MAINE SBDC AT USM/MAINE TECHNOLOGY INSTITUTE

MAINE MANUFACTURERS EXTENSION PARTNERSHIP

MARKET DEVELOPMENT CENTER

PENQUIS COMMUNITY ACTION PROGRAM

RICHARD E. DYKE CENTER FOR FAMILY BUSINESS, HUSSON COLLEGE

UNIVERSITY OF MAINE COOPERATIVE EXTENSION

U.S. INTERNAL REVENUE SERVICE DIVISION OF SMALLBUSINESS/SELF-EMPLOYED

WOMEN'S BUSINESS CENTER AT CEI

WOMEN, WORK AND COMMUNITY, UNIVERSITY OF MAINE AUGUSTA

### Guest Speakers:

PEOPLES, A DIVISION OF BANKNORTH

COASTAL ACADIA DEVELOPMENT CORPORATION

COASTAL ENTERPRISES INC.

EASTERN MAINE DEVELOPMENT CORPORATION

FINANCE AUTHORITY OF MAINE

HTR COMPUTERS AND CONSULTING

MAINE SBDC STATE ADMINISTRATIVE OFFICES, UNIVERSITY OF SOUTHERN MAINE

PREXAR *INTERNET & BEYOND*

U.S. SMALL BUSINESS ADMINISTRATION

### FastTrac® Coalition Lead:

MILLINOCKET AREA GROWTH AND INVESTMENT COUNCIL

### Supporters:

CAREER CENTER AT MILLINOCKET

KATAHDIN AREA CHAMBER OF COMMERCE

MAINE BUSINESS WORKS

NORTHERN KATAHDIN VALLEY CHAMBER OF COMMERCE

OFFICE OF CONGRESSMAN MICHAEL MICHAUD

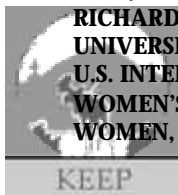
OFFICE OF SENATOR OLYMPIA SNOWE

OFFICE OF SENATOR SUSAN COLLINS

SERVICE CORP OF RETIRED EXECUTIVES (SCORE)

U.S. DEPARTMENT OF AGRICULTURE NATURAL RESOURCES

CONSERVATION SERVICE



# The Katahdin Entrepreneurship Education Program Project KEEP Launched!

*Bangor Daily News*

KEEP initiative targets Katahdin area economy

*Event aims to foster small business*

BY AIMEE DOLLOFF, OF THE NEWS STAFF

Saturday, March 15, 2003





# KEEP



## KATAHDIN ENTREPRENEURSHIP EDUCATION PROGRAMS

Practical Training for Katahdin Area  
Existing & Start-up Businesses



PRODUCED BY THE MAINE SMALL BUSINESS DEVELOPMENT CENTERS  
IN ASSOCIATION WITH THE U.S. SMALL BUSINESS ADMINISTRATION  
AND THE FINANCE AUTHORITY OF MAINE

# KEEP Circular Hits the Katahdin Region Outlining the Program Benefits



# Project KEEP

## *Workshops*

No cost to client workshop topics included:

- Managing in times of crisis;
- Marketing;
- E-commerce;
- Doing business with the government;
- *Quickbooks* fundamentals;
- Customer service;
- Cash flow basics;
- Financing options;
- Three unique start-up workshops; and
- *FastTrac Planning*\* for existing businesses.



\* Cost reduced from \$549 to \$99



# Project KEEP

## *Additional Services*

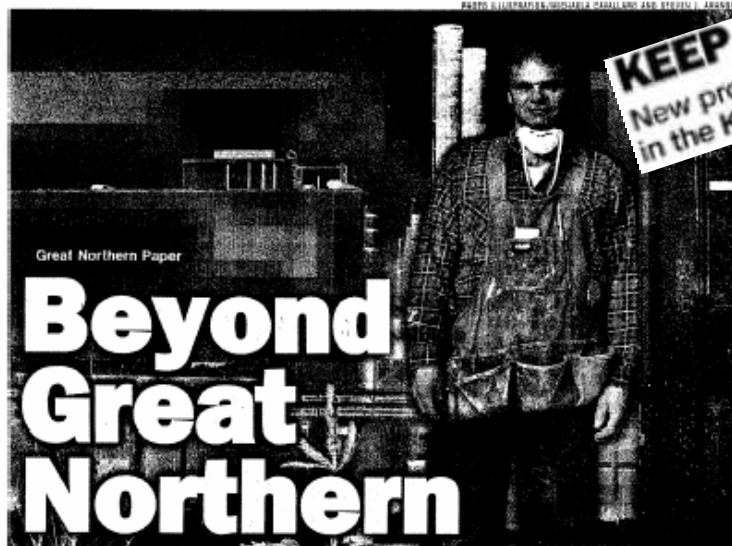
In addition to the no cost to client training offered through **Project KEEP**, Maine SBDC personnel, and others, increased their visibility in the Katahdin region by providing additional support and one-on-one business counseling to help **KEEP** participants stay on track.



# Project KEEP

## Positive Community Impact

Mainebiz April 14, 2003, Vol. 9, No. 8



Can a new entrepreneurial-skills program help Katahdin region residents build their own businesses — and escape the uncertainty of the mills?

BY MICHAELA CAVALLARO

The cabinets Mike Brown builds in the woodshop next to his Millinocket home are exquisite. Hand-crafted from tiger maple, a fly-rod cabinet's doors swing smoothly.

#### FOCUS ON NORTHERN MAINE

and its drawers glide in and out without a hitch. Even to the untrained eye, Brown's work is obviously high-end.

But for the last 20 years, Brown recently realized, he literally has been selling himself short. "In the Millinocket mill-

*Negative to positive:  
Former mill worker  
Mike Brown is learning  
how to make his cabinetry  
business a going concern*

ket, you better be able to price competitively with Home Depot," he says, recounting stories of customers who came straight from the big box to his shop, with Home Depot's quote for new kitchen cabinets in hand. "You either say yes [to the Home Depot price], or you don't work."

Brown, who lost his job at Great Northern Paper in the layoffs of the mid-1980s, began woodworking on the side in 1981. Until last year, most of his income came from his work as a general contractor, with his cabinetmaking a side venture for an entirely local customer base.

Continued on page 22

**KEEP on keepin' on**

New program delivers much-needed training — most of it free

to small businesses

*"We have a strong entrepreneurial culture in Maine, but typically when you get into these mill towns it's not quite as entrepreneurial. What KEEP is showing is that there is a different way."*

John Massana, state director of the SBDIC



# Maine SBDC Requests Additional Funding for Project KEEP

- **Purpose:** Supplement, reinforce and continue business education and networking of KEEP participants through the Katahdin Entrepreneurship Education Programs (KEEP), as well as build capacity for one-on-one assistance in the greater Katahdin Region during the next months of its extreme economic uncertainty.
- **Benefit:** Value-add strengthening of business acumen acquired during initial KEEP programming for Katahdin Region participants; opportunity to revisit uncertain topics and get clearer definition from one-on-one counseling sessions; and an added framework for continued business-to-business networking, all leading to better informed existing and prospective small business owner/operators and a greater likelihood of successful ventures.





July 2, 2003

## **“Maine SBDC Awarded Additional Funding for Small Business Assistance in the Katahdin Region through Project KEEP”**

In a **sustained effort** to assist small businesses and residents affected by area mill closings, layoffs and business closings in Katahdin Region, the Maine SBDC, with the help of **Senator Olympia Snowe**, secured **\$100,000** in federal/SBA funding to provide additional support and training to more businesses throughout Northern Penobscot and Southern Aroostook counties.

Under the new award, called **KEEP II**, the Maine SBDC would continue its collaborative relationships to produce the entrepreneurship education programs which had already assisted hundreds of current and prospective business owners in the Katahdin region since March. With **additional support** from over thirty non-profit, government, university, and private organizations, **KEEP** generated over four-hundred individual training opportunities for Katahdin area residents.



# KEEP II

## *Elements*

- Cycle a second set of training events similar to those held April through June '03, and hold them geographically diverse as to capitalize on drawing more business into the training.
- Expand authorized Maine SBDC counseling capacity for the immediate and southern Katahdin Region based out of the Katahdin Region Higher Education Center (an outreach center of the Maine SBDC at EMDC with the majority of the increased hours to be in the form of case management of private-sector contract counseling for KEEP participants.)
- Expand Capacity in the Northern Katahdin Region with the addition hours of counseling capacity based out of the Maine SBDC at NMDC.
- Provide private- sector contract consulting as applicable and appropriate to KEEP participants through a mini-grant mechanism.
- Add a Maine SBDC Outreach Office in the Sherman/Patton area.
- Hold monthly topic-focused networking sessions for Katahdin area businesses.
- Provide marketing and outreach for the KEEP program.





# KEEP



## KATAHDIN ENTREPRENEURSHIP EDUCATION PROGRAMS

Practical Training for Katahdin Area  
Existing & Start-up Businesses



PRODUCED BY THE MAINE SMALL BUSINESS DEVELOPMENT CENTERS  
IN ASSOCIATION WITH THE U.S. SMALL BUSINESS ADMINISTRATION  
AND THE FINANCE AUTHORITY OF MAINE

# KEEP II Circular Hits the Katahdin Region Outlining the Continued Program Benefits



# Project KEEP

*Statistics (through 12/31/03)*

- **425** class participants + an additional **210** KEEP II
- **114** businesses counseled\*
- **737** individual client sessions\*
- **1191** counseling hours\*
- **23** mini-grants awarded
- **\$30,000** collaborative funds for KEEP I
- **\$100,000** grant for KEEP II
- **Countless** in-kind

\*Maine SBDC Only

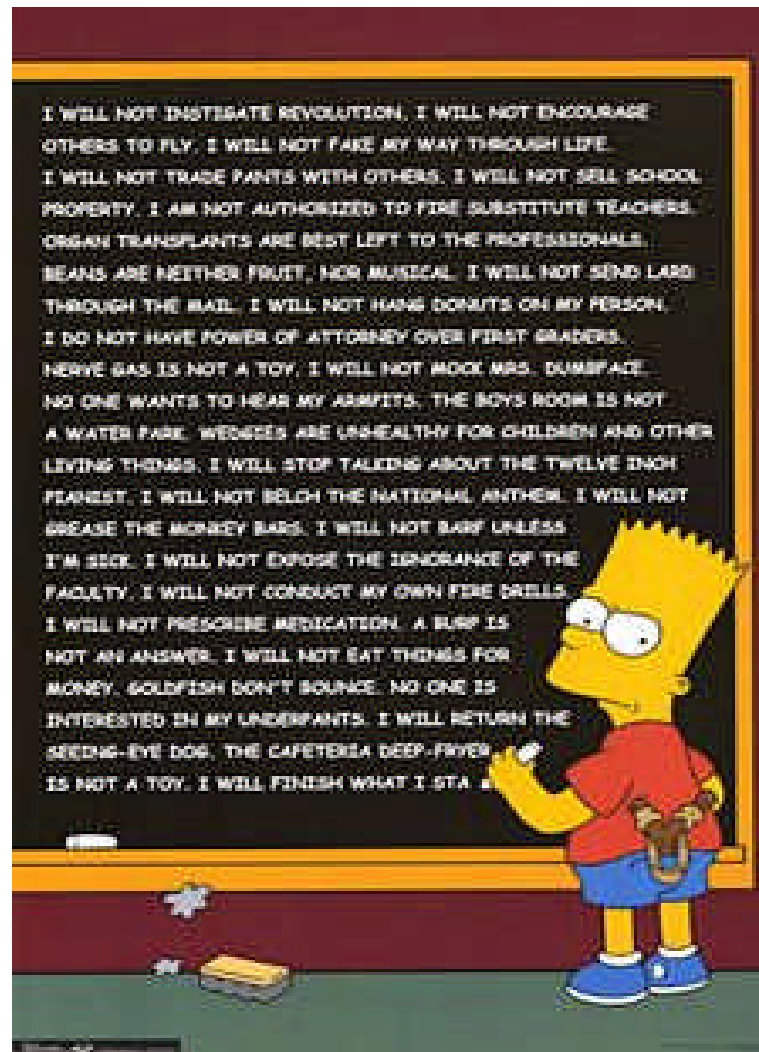


# Success...



# Project KEEP

## *Lessons Learned*



# The Basis for Future Crisis Preparation & Response

## A Maine Model for Entrepreneurial Collaboration

